



IN THE

Supreme Court of the United States

OCTOBER TERM 1944.

No.

CONDENSER CORPORATION OF AMERICA, *Petitioner*,

v.

MICAMOLD RADIO CORPORATION, *Respondent*.

BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

OPINIONS BELOW.

The opinion of the Circuit Court of Appeals for the Second Circuit is reported at 145 F. (2d) 878 and is found at the end of the accompanying record.

The opinion of the District Court is reported at 54 F. Supp. 327, and also appears at R. 194.

JURISDICTION.

The judgment of the Circuit Court of Appeals was entered November 30, 1944.

The statute giving jurisdiction is Section 240(a) of the Judicial Code (28 USC Sec. 347) as amended by the Act of February 13, 1925.

STATEMENT OF THE CASE.

The foregoing petition contains a summary of the material facts necessary to an understanding of the reasons relied upon for urging the allowance of the writ as well as a statement of the questions involved in the case.

SPECIFICATION OF ERRORS.

(1) The Circuit Court of Appeals for the Second Circuit erred in holding claims 1 to 3 of the Danziger patent in suit invalid on the ground that, notwithstanding the history of the art, invention had not been shown in providing the combination defined by said claims, and in misinterpreting or failing to follow the decision of this Court in *Goodyear Tire & Rubber Company v. Ray-O-Vac*, 321 U. S. 275.

(2) The Circuit Court of Appeals for the Second Circuit erred in holding claims 9 to 12 of the Danziger patent in suit not infringed notwithstanding the evidence that respondent had made the machines complained of with the capacity for infringement and that said machines operated in an infringing manner for at least part of the time.

(3) The Circuit Court of Appeals for the Second Circuit erred in reversing the District Court, and not affirming the judgment of the District Court, in holding claims 1 to 3 and 9 to 12 of the Danziger patent in suit valid and infringed, in view of the ruling of this Court in *Adamson v. Gilliland*, 242 U. S. 350.

ARGUMENT.

Point 1. Improper Imposition of Burden on Petitioner to Show Patentable Invention.

Although the need for eliminating the human factor in winding coil condensers, so as to avoid variable electrical characteristics arising from soiling the foil and lack of precision in accurately cutting the lengths of the strips

under hand operation, had long been recognized, the Danziger machine of the patent in suit was the *first automatic machine* for winding coil condensers (R. 199, 215, finding 16). Twenty years had elapsed between the date of the closest earlier art (Siemens British patent No. 13,682 of 1905) and the invention of the Danziger machine of the patent in suit. This invention promptly received an impressive acknowledgment, that it met the need and demand of the art, from the licenses under the patent in suit acquired by such companies as Western Electric Company, General Electric Company and RCA Manufacturing Company (R. 13) as well as by the sale of approximately 100 of these machines (R. 260). The Court of Appeals considered that the sale of approximately 100 machines was not impressive, but it apparently overlooked the fact that these machines operating on an assumed working day of seven hours, with two hundred working days per year, had a capacity of producing coil condensers on the order of from forty to fifty million a year (R. 191, XQ. 118). With the increased capacity for production of these automatic machines, the requirements of the trade for coil condensers could be satisfied without such a large number of machines as the Court of Appeals was apparently looking for.

The nearest prior art to the Danziger machine found by either the Patent Office or by respondent was that of the Siemens British patent No. 13,682 of 1905. This patent was duly considered by the Patent Office and the claims in suit allowed thereover (R. 216), and the District Court agreed with the Patent Office that the Danziger machine was an invention over the disclosure of this British patent. The machine of this British patent was hand-operated, and it was in use in the Siemens factory in 1910 and 1918 (R. 216), so that contrary to the implication of the Court of Appeals this machine did have a commercial history. As a hand-operated machine it was imbued with all of the disadvantages incident to that type of operation, yet for twenty years, 1905 to 1925, it represented the highest state of development of machines for winding coil condensers.

Notwithstanding the foregoing historical background the Court of Appeals, by sole reliance on this British patent of 1905, found claims 1, 2 and 3 in suit to be invalid, taking the position that there was no presumption that the art knew about the Siemens machine, and in the absence of a showing that "the art in fact knew the earlier steps" taken, a conclusion of invention could not be reached. This decision in effect imposes on the plaintiff the burden of not only showing a long unsatisfied demand, but that the workers in the art knew its highest development and still could not meet the demand.

The term "invention" is not capable of certain definition (*McClain v. Ortmayer*, 141 U. S. 419, 427). Hence the Courts have consistently examined the res gestae of the invention to determine whether the advance apparently required more than the skill of a mechanic.

The patent as granted is presumptively valid (*Westinghouse Electric & Manufacturing Company v. Formica Insulation Company*, 266 U. S. 342, 348) and it is presumed "until the contrary appears, that all the conditions under which a discovery is patentable in accordance with the statutes have been met" (*Mumm v. Jacob E. Decker & Sons*, 301 U. S. 168, 171). Hence the burden is on the defendant in an infringement suit to sustain an allegation of non-invention (*Cantrell v. Wallick*, 117 U. S. 689, 695).

The foregoing presumption of validity is greatly strengthened when the very patent relied upon by the defendant to support its allegation of no invention is the same patent over which the claims in suit were allowed by the Patent Office. This has been recognized by the Courts of Appeals of most if not all of the Circuits—see *Williams Mfg. Co. v. United Shoe Machinery Corporation*, 121 F. (2d), 273, 277, C. C. A. 6, affirmed 316 U. S. 364; *Hartford-Empire Co. v. Obear-Nester Glass Co.*, 71 F. (2d) 539, 560, C. C. A. 8; *Gray v. Eastman Kodak Co.*, 67 F. (2d) 190, 195, C. C. A. 3; and in fact had been recognized by earlier decisions of the Second Circuit Court of Appeals, as see

Ensign Carburetor Co. v. Zenith-Detroit Corporation, 36 F. (2d) 684, 686. In the instant case, however, *the only patent in the prior art relied upon by the Second Circuit Court of Appeals* (Siemens British patent of 1905) *was the very patent over which the claims in suit had been allowed by the Patent Office.*

This Court, when confronted with the question of invention, has repeatedly turned to the history of the art, and when the record showed a long period of unsatisfied demand prior to the patent in suit, it has recognized that the mechanics of the art would previously have satisfied such need if the mere skill of the art had been sufficient to do so. In *Loom Co. v. Higgins*, 105 U. S. 580, 591, this Court said:

“But it is plain from the evidence, and from the very fact that it was not sooner adopted and used, that it did not, for years, occur in this light to even the most skilful persons”.

To the same effect see *Expanded Metal Company v. Bradford*, 214 U. S. 366, 381; *The Barbed Wire Patent*, 143 U. S. 275, 283. The fact that, once the solution is found, the step taken seems simple, so that it is a matter of surprise why it was not taken earlier, does not destroy the probative effect of a showing that in the face of the need therefor the art remained undeveloped for a long time until the invention of the patent in suit (*Richmond Screw Anchor Co. v. United States*, 275 U. S. 331, 339; *Diamond Rubber Co. v. Consolidated Rubber Tire Co.*, 220 U. S. 428, 434, 435; *Carnegie Steel Co. v. Cambria Iron Co.*, 185 U. S. 403, 429; *Potts v. Creager*, 155 U. S. 597, 608; *DuBois v. Kirk*, 158 U. S. 58, 63). When, as here, the advance converted the slow and unprecise hand operation to speedy and accurate production, the commercial significance of the advance is also to be taken into consideration (*Hobbs v. Beach*, 180 U. S. 383, 393).

The foregoing principles are implicit in the decision of this Court in *Goodyear Tire & Rubber Company v. Ray-*

O-Vac, 321 U. S. 275, 278, 279, wherein it was said, after reviewing the history of the art and the significance of Anthony's accomplishments:

"Viewed after the event, the means Anthony adopted seem simple and such should have been obvious to those who worked in the field, but *this is not enough to negative invention.*" (Emphasis ours)

In the face of this decision the Court of Appeals of the Second Circuit has reversed the District Court and overruled the Patent Office in according Danziger the status of an inventor as respects the subject matter of claims 1, 2 and 3.

While admitting a presumption that Danziger knew of the Siemens machine for the purpose of determining the quantum of Danziger's advance thereover, and apparently overlooking the evidence of use of the Siemens machine in the Siemens factory (R. 216, finding 20), the Court of Appeals denied any presumption that the other workers in the art knew of the Siemens machine for the purpose of determining if their failure to advance therebeyond suggested that more than the mere skill of the art was required to make the improvement in question. Thus the Court of Appeals has in effect imposed on plaintiff the improper burden of showing that the workers of the art knew of the Siemens British patent and why in the face of such knowledge they failed for twenty years to make the advance in question. This is going in the face of the uniform decisions of this Court that a patent is presumptively valid until the defendant sustains the burden of showing that an invention has not been made. It is contrary to the repeated rulings of this Court that the history of the art, when it shows a long unsatisfied demand, is cogent evidence on the issue of invention. It is substituting the intuition of the Court that the advance in question appears simple and should have been made earlier for what this Court has repeatedly accepted as persuasive of invention, to wit, the failure of

an art to advance for many years in the face of a need for improvement (*Goodyear Tire & Rubber Company v. Ray-O-Vac, supra*).

If, contrary to the rulings of this Court, the presumption that the state of the art is known to each worker therein is to be overthrown and the burden shifted to the patentee to show not only that the workers in the art were familiar with its closest prior development but why such workers failed at an earlier date to take the step forward upon which the patent has been granted, the *prima facie* validity of a patent becomes a mere empty formula. This is a matter of the widest public interest affecting all those who own or operate under patents. It is submitted that the ruling under discussion on the part of the Court of Appeals of the Second Circuit was in error and should be corrected.

Point 2. Improper Reversal on Issue of Infringement.

When, in the automatic operation of the machine herein-before referred to, the cutting elements are moved into contact with the strips of foil and paper to sever the same, there is a tendency for the strip to "belly away from the knife". To overcome this difficulty the Danziger machine includes means operable momentarily for increasing the tension of the strip at the time of the cutting.

Each of claims 9 to 12 in suit includes as an element of the combination "means operable in timed relation to the cutting means for momentarily increasing the tension of the strip". The District Court found as a fact that respondent's machines complained of included such means (R. 223, finding 53). The stipulated description of operation of the respondent's machines specifies "At or just prior to the time cutter 1 operates, the feed rolls 4 located just above cutter 1, are pinched together to engage the foil No. 1 and paper strips which pass between them. The machine is adjusted as accurately as possible so that cutter 1 cuts at the time rolls 4 pinch together" (R. 41) and

further that "Cam 24 is so positioned on shaft 13 that the rolls 4 close at a short time before or as the knives 1 operate to cut the paper and foil No. 1" (R. 43). The referred to tension arose whenever the diameter of the condenser exceeded 0.273 inch, and respondent stipulated that it had manufactured condensers of diameters as great as 0.35 inch (R. 224, findings 61, 62). Furthermore, defendant stipulated that it was common to change the mandrel and therefore defendant could at any time increase the diameter of the condenser so as to involve the infringing operation by mere change of the mandrel (R. 224, finding 65).

The District Court therefore found infringement of claims 9 to 12 because the machines complained of were manufactured to infringe and for at least part of the time were used in an infringing way. The Court of Appeals for the Second Circuit did not take exception to the above findings of fact. Indeed it conceded "*** it is true that there may be, and probably is, some such tension at the later stage of the winding of the larger condensers, and the Judge so found". However, the Court of Appeals substituted its own intuition as to the value of the provision in question, and on the ground that this apparently conceded use by defendant of what is defined in claims 9 to 12 in suit "*** is of too trifling importance to justify the intervention of a court", reversed the holding of infringement.

Whether or not infringement is proved when "*** the exact identity of the elements of the defendant's machine, their function and mode of operation, with the elements recited in those claims, and shown in the patent in suit" is shown (R. 222, finding 51), even though the defined combination is capable of a noninfringing use, has apparently not been decided by this Court, whereas the decision of the Court of Appeals of the Second Circuit in the instant case appears to be in conflict with the decisions of the Tenth Circuit Court of Appeals in *Stearns-Roger Mfg. Co. v. Ruth*, 87 F. (2d) 35, 38 and the Sixth Circuit Court of Appeals in *Farrington v. Haywood*, 35 F. (2d) 628, 631.

Infringement arises as a result of encroachment on any one of the three exclusionary rights of making, using and selling (*Bloomer v. McQuewan*, 14 Howard 539, 549, quoted with approval in *Continental Paper Bag Co. v. Eastern Paper Bag Co.*, 210 U. S. 405, 425; *Birdsell v. Shaliol*, 112 U. S. 485, 487). The manufacture of the machines complained of, found as a fact to include the claimed "means operable in timed relation to the cutting means for momentarily increasing the tension of the strip" (R. 224, finding 65) was, under these decisions, an infringement even though no showing had been made that as used the aforesaid means were utilized part of the time.

The record shows that the means for increasing the tension is utilized whenever the diameter of the condenser exceeds 0.273 inch and that it was stipulated that defendant manufactured condensers as large as 0.35 inch in diameter (R. 224, findings 61, 62). Hence the machine was not only built with the capacity for infringement but also actually used in an infringing way.

This Court in *The Wood-Paper Patent*, 23 Wallace 566, 600, said:

"A single instance of using the combination would have amounted to infringement, and would have entitled the complainants to a decree."

Under this decision a single instance of the conceded use thus entitled petitioner to its decree. However, in disregard of the law as so stated by this Court, the Court of Appeals of the Second Circuit speculated as to the value of the infringing act—a matter going to the quantum of damages rather than to the fact of infringement—and reversed the District Court in its finding of infringement.

As the Supreme Court has apparently not passed on this issue as to whether infringement is shown when a machine is built with the capacity to infringe, even though some users thereof may not elect to use the infringing feature, and whether or not if infringing use is shown part

of the time the Court may rule that there is no infringement by speculating on the value of the infringing use, whereas the Courts of Appeals of other Circuits have ruled on these questions inconsistently with the herein decision of the Second Circuit Court of Appeals, the settling of this question by the Supreme Court is highly important in the interest of uniformity of decision.

Point 3. Failure to Follow Findings Below.

The District Court, in addition to its opinion (R. 194) made extended findings of fact (R. 213-228) predicated on the testimony adduced by the parties during the trial. So far as here involved these findings were based on disputed issues of fact and predicated on the testimony. In reversing the District Court the Court of Appeals of the Second Circuit disregarded these findings of fact. This Court in *Adamson v. Gilliland*, 242 U. S. 350, 353 said:

“Considering that a patent has been granted to the plaintiff the case is preeminently one for the application of the practical rule that so far as the finding of the master or judge who saw the witnesses ‘depends upon conflicting testimony, or upon the credibility of witnesses, or so far as there is any testimony consistent with the finding, it must be treated as unassailable.’ *Davis v. Schwartz*, 155 U. S. 631, 636.”

The validity of the claims in suit was under sharp attack, and much testimony was adduced by both sides with respect thereto (R. 124 et seq.; 169 et seq.). Hence there was both the conflict of testimony and the existence of evidence consistent with the findings of fact Nos. 11 to 38, inclusive, upon which the District Court reached its conclusion that an unsatisfied need existed for twenty years, from 1905 to 1925, until satisfied by the machine of the Danziger patent. The Court of Appeals, however, ignored these findings and erroneously found an absentee of invention.

Upon the issue of infringement of claims 9 to 12, again there was sharp conflict in the testimony of the witnesses, and much testimony concerned with whether or not the machines complained of were built so as to have the capacity for infringement, whether or not in operation these machines were infringing at least part of the time, whether or not tension was applied momentarily to the strip at or just prior to the time of cutting, whether or not the application of this tension was incidental or deliberate, whether or not there was identity between the elements of the defendant's machine, their function and mode of operation, with the elements recited in the claims and shown in the patent in suit, etc. (R. 50-52, 64-68, 76 et seq., 105 et seq.). The District Court, having seen and heard the witnesses, made its findings on these disputed issues, predicated on the testimony, and found inter alia (R. 222 et seq.) that there was such identity of elements (finding 51) that defendant's momentary increase in the tension was not merely incidental (finding 53), that the tension was applied at or just prior to the cutting operation (findings 55, 56), that infringing use occurred whenever condensers exceeding 0.273 inch in diameter were wound and that defendant wound such larger condensers (findings 58-64), that defendant's machine was built to incorporate the combinations of claims 9 to 12 whether or not the means for applying tension was actually used (finding 65), etc.

If as ruled by this Court in *Adamson v. Gilliland, supra*, the findings of fact of the District Court under these circumstances should be "unassailable", the Court of Appeals could not properly ignore the findings that respondent deliberately included as an element of its machines the "means operable in timed relation to the cutting means for momentarily increasing the tension of the strip" (whether or not it was used), that such means was in fact used in winding all condensers whose diameters exceeded 0.273 inch, and that the elements of defendant's machine,

their function and operation, were in substance identical with the corresponding elements of the Danziger patented machine. Its reversal of the District Court in its finding of infringement was therefore erroneous.

CONCLUSION.

Wherefore, petitioner prays that the petition for writ of certiorari be granted, the cause reviewed, and the decree of the Court of Appeals for the Second Circuit reversed.

Respectfully submitted,

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Attorney for Petitioner.

